

VZCZCXYZ0001
RR RUEHWEB

DE RUEHAC #0260 0891802
ZNY CCCCC ZZH
R 301802Z MAR 07
FM AMEMBASSY ASUNCION
TO RUEHC/SECSTATE WASHDC 5529
INFO RUCNMR/MERCOSUR COLLECTIVE
RUMIAAA/USCINCSO MIAMI FL//SCJ3/SCJ33/SCJ34/SOCSO LNO//
RUEAIIA/CIA WASHDC
RUEAWJA/DEPT OF JUSTICE WASHDC
RUEATRS/DEPT OF TREASURY WASHDC
RHEHNSC/WHITE HOUSE NSC WASHDC
RUEKJCS/USSOCOM WO WASHDC

C O N F I D E N T I A L ASUNCION 000260

SIPDIS

SIPDIS

NSC FOR JOSE CARDENAS; SOUTHCOM FOR POLAD

E.O. 12958: DECL: 01/02/2027
TAGS: [PREL](#) [PGOV](#) [KDEM](#) [PA](#)
SUBJECT: PARAGUAY: LUGO'S MARCH FALLS FLAT

REF: ASUNCION 255

Classified By: PolCouns James P. Merz; Reasons 1.4(b),(d)

¶1. (U) SUMMARY. Fernando Lugo could only draw some 10-15 thousand supporters to a March 29 demonstration protesting corruption, a far cry short of last year's demonstration that drew upwards of some 40,000 and effectively launched Lugo's bid for the Presidency. Lugo was clearly the star of the demonstration but his relatively moderate remarks fell somewhat flat with the crowd of mostly leftist supporters. We do not know what lessons Lugo will draw from this protest, but it is not unlikely those within the National Coalition who blocked support for the demonstration will feel emboldened. On a positive note, the protest was peaceful and there were no civil disturbances. END SUMMARY.

¶2. (U) Some 10 to 15,000 Paraguayans attended a March 29 demonstration to protest ostensibly against pervasive corruption in Paraguay, particularly as pertains to Paraguay's judicial system. The protest marked the one year anniversary of last year's successful march that drew as many of 40,000 to demonstrate against the Supreme Court for a decision that opened the door to Duarte's claiming the Colorado Party Presidency. The opposition Liberal and Beloved Fatherland Parties had pulled support for the March 29 demonstration insisting organizers were more focused on promoting Lugo's candidacy than on the opposition's common agenda in attacking Colorado Party abuses.

¶3. (U) Last year's demonstration was largely organized by the centrist Beloved Fatherland Party and drew significant numbers of Paraguay's middle class. The March 29 demonstration, by contrast, was organized by Tekojoja, the leftist group supporting Lugo. The crowd in attendance was dominated by Paraguay's marginal poor with some sprinkling of middle class support. PolCouns saw former Finance Minister Dionisio Borda skirting the perimeter of the demonstration and, separately, a group of seven nuns. An assembly of some 20 horse drawn carts -- traditionally used by Paraguay's poor to transport "useful" items they glean from trash -- were parked at the rear of the assembled crowd.

¶4. (U) Social and Popular Bloc leader Bernardo Rojas fired up the crowd with the typical rant against imperialism and large land holders calling for homes, land and jobs for the country's impoverished workers and peasants. The introduction of Lugo, as the keynote speaker, drew loud applause from the crowd which fell completely silent when he

spoke. However, reading his speech, Lugo delivered a relatively moderate speech that never seemed to resonate with his audience. He focused his remarks on corruption within the government writ large and the judicial sector in particular. He even commented on the lack of foreign investment given judicial insecurity but also touched on the widespread poverty that afflicts the country. His remarks lacked the fire and verve of a typical populist speech and, by the end, many protesters on the margins stopped paying attention.

15. (U) COMMENT: Clearly, Lugo's ability to draw a large, diverse crowd suffered for lack of support from the established political opposition parties. We don't know yet what lesson Lugo will draw from this experience. He could look to mend fences with opposition party leaders or decide to branch out on his own. Meanwhile opposition party leaders resistant to Lugo no doubt will feel emboldened. Lugo's experience reinforced how important it is for opposition to unite if they want to become a force to be reckoned with. For the time being though, we can expect jockeying within the opposition to go on for some time as Lugo's disappointing show produced some leveling of the playing field.

CASON